

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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Competitive Market Initiatives)	D.T.E. 01-54 (Phase II)
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REPLY COMMENTS OF COMPETITIVE SUPPLIERS
REGARDING PHASE II ISSUES

AES New Energy, Inc., Green Mountain Energy Company, National Energy Marketers Association, The NewPower Company, SmartEnergy, Inc., and Strategic Energy Ltd., (together the “Competitive Suppliers”) offer the following brief responses to the other parties’ initial comments regarding the Phase II issues.

Inclusion of Competitive Supply Customers on the Customer Information Lists

As indicated in our initial comments, the Competitive Suppliers support the inclusion of competitive supply customers in the Customer Information Lists. However, while the lists should indicate that these customers are on competitive supply, they should *not* identify the customers’ particular supplier. If the suppliers were identified, it would reveal sensitive business information to the suppliers’ competitors and their wholesale suppliers. The wholesale suppliers could use this information to their competitive advantage, resulting in higher prices for retail suppliers and their customers.

Usource Proposal

As argued in our initial comments, the distribution companies should not sponsor Internet-based auctions processes. This is a competitive service that is being offered today by competitive firms. There is no reason for regulated monopolies to enter this business.

The Usource proposal is an excellent example of what should **not** happen. The Department should not endorse one provider of Internet-based auction services, nor require utilities to offer that service to their customers, nor force competitive suppliers to pay for it.

This is a competitive function. Usource is free to offer its services in competition with other firms; it should not be given quasi monopoly status.

Assignment of Default Service Customers

As stated in our initial comments, the Competitive Suppliers support assignment as a mechanism to spur activity in the residential market. The Competitive Suppliers do not support assignment of commercial and industrial customers. In these reply comments, the Competitive Suppliers respond directly to the suggestions that assignment is premature and that the Department take a “wait and see” approach to residential consumer choice until the Standard Offer period expires.

The Competitive Suppliers reject the suggestion that no action be taken to create a residential market, and urge the Department to study the benefits of assignment, or similar mechanisms, as a means to prepare both consumers and suppliers for a vibrant market at the end of the Standard Offer period.

The Department, on its own motion, established Competitive Market Initiatives, D.T.E. 01-54 as a “formal investigation into competitive market initiatives with the intent to minimize or eliminate any barriers to competitive choice” D.T.E. 01-54 at 1-2. As such, the Competitive Suppliers respectfully request the Department consider assignment of Default Service customers, or other similar mechanism, as a means to create competition in the now limited residential market.

Respectfully submitted,

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